

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
[Columbia, South Carolina]

HEARING # 20-11857

FEBRUARY 27, 2020

6:00 P.M.

DOCKET NO. 2019-290-WS:

Blue Granite Water Company - Application for Approval to Adjust
Rate Schedules and Increase Rates

TRANSCRIPT OF TESTIMONY
AND PROCEEDINGS

VOLUME 7 OF 10

HEARING BEFORE: Comer H. 'Randy' RANDALL, *Chairman*; Florence
P. BELSER, *Interim Vice Chairman*; and COMMISSIONERS John
E. 'Butch' HOWARD, Thomas J. 'Tom' ERVIN, Swain E.
WHITFIELD, and O'Neal HAMILTON

ADVISOR TO COMMISSION: Randall Dong, Esq.
Legal Advisory Staff

STAFF: Jocelyn Boyd, Chief Clerk/Executive Director; William O.
Richardson, Technical Advisory Staff; Virginia 'Ginger' Crocker and
Afton Ellison, Clerk's Staff; Rob Bockman, Public Information
Officer; Randy Erskine, Information Technology Staff; Melissa
Purvis, Livestream Technician; and Jo Elizabeth M. Wheat, CVR-CM/M-
GNSC, Court Reporter

APPEARANCES:

SAMUEL J. WELLBORN, ESQUIRE, representing BLUE
GRANITE WATER COMPANY, APPLICANT

ROBERT HALL, ESQUIRE, representing the SOUTH
CAROLINA DEPARTMENT OF CONSUMER AFFAIRS, INTERVENOR

JEFFREY M. NELSON, ESQUIRE, representing the
SOUTH CAROLINA OFFICE OF REGULATORY STAFF

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

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P R O C E E D I N G S

CHAIRMAN RANDALL: Good evening, everyone, and welcome to tonight's public hearing. We're glad everybody's here and look forward to hearing from everybody that wants to speak.

First, before we get started, we need to take appearances from the parties. And feel free to go ahead and introduce folks that are with you, right now, while we're here.

MR. WELLBORN: Thank you, Mr. Chairman. On behalf of Blue Granite, I'm San Wellborn. We also have from the company Mr. Don Denton, who is President of Blue Granite, and Mr. Bryce Mendenhall, who's Vice President of Operations. And we appreciate the opportunity to hear the public's feedback at this night hearing.

I would also quickly mention that, members of the public, if there are specific issues that need to be addressed by the company, I would encourage them to approach the staff from the company and have that worked out. Thank you.

CHAIRMAN RANDALL: Thank you. Welcome.

MR. HALL: Good evening. Roger Hall, Assistant Consumer Advocate, with the Department of Consumer Affairs. Bailey Parker is also here, with

1 our public information folks. We've intervened in
2 the matter to represent the interests of consumers,
3 so we're here to hear what you all have to say so
4 we can better represent you. Thank you.

5 **CHAIRMAN RANDALL:** Thank you. Welcome.

6 **MR. NELSON:** Jeff Nelson, with the Office of
7 Regulatory Staff. We have several members here
8 tonight. Michael Seaman-Huynh is sitting up here
9 in the front row; he's with our Rates Department.
10 Our Chief Operating Officer, Dawn Hipp, is back
11 here. And you might have noticed when you came in,
12 Brad Kirby is at a table out there, for the ORS.
13 He's out in the lobby area.

14 If you need to speak to anybody, we'll be
15 around after the hearing, or if you don't want to
16 hang around until we're done, you can always walk
17 out and talk to Brad. Thank you.

18 **CHAIRMAN RANDALL:** Thank you, Mr. Nelson.

19 I want to introduce the Commissioners here
20 tonight. To my far left, in District 1,
21 Commissioner Butch Howard; next to him, from
22 District 7, Commissioner O'Neal Hamilton. To my
23 far right, from District 2, Commissioner Florence
24 Belser; next to her is Commissioner Tom Ervin from
25 District 4. Commissioner Justin Williams is

1 serving our country in Iraq right now, so he's not
2 here. And Commissioner Whitfield is stuck at the
3 red light, right down here at Bush River Road –

4 [Laughter]

5 – and he should be walking in any second now,
6 so, just act like he wasn't there.

7 Mr. Nelson, I'm going to turn it over to you,
8 to...

9 **MR. NELSON:** It's my job to give you a little
10 brief on the procedures and how everything works
11 here tonight. As I told you, I'm Jeff Nelson; I'm
12 Chief Counsel with the Office of Regulatory Staff.

13 The PSC, the Public Service Commission, is
14 hosting the hearing, the night hearing, tonight.
15 The Office of Regulatory Staff is a separate State
16 agency from the PSC and represents the consumers
17 and the State interests in this matter, along with
18 the State Consumer Advocate who's introduced
19 himself, as well.

20 The hearing is – we're holding it here
21 tonight, for you, to allow you to share your
22 thoughts about Blue Granite Water Company's rate
23 increase. The Commission scheduled this hearing
24 because they know it's important to hear from you,
25 from the members of the public and the customers of

1 the company. So what you have to say is important.

2 If you come up to speak, when you come up to
3 speak tonight, please make sure that you verbalize
4 what you're saying and, also, in response to any
5 questions that either myself or one of the other
6 attorneys or the Commissioners may ask you. Ms.
7 Wheat is our court reporter here tonight. Ms.
8 Wheat can't take down head nods and um's and that
9 kind of thing. Yes, no, or whatever, so she can
10 take it down for the record.

11 Everything you say tonight as a member of the
12 public, if you're speaking here, goes into the
13 record of this case and will be considered by the
14 Commission in rendering their final opinion in this
15 case. So what you say is important, and thank you
16 for coming out tonight.

17 The Commission will issue a final order in
18 this case by April 2nd. The merits hearing, as we
19 call it, the presentation of evidence by all the
20 parties, is ongoing right now, as you may now. It
21 probably will be finished by tomorrow, I think –
22 they're probably all hoping, but we don't know for
23 certain. We've already been through two days of
24 hearings, and they start again tomorrow morning at
25 10 o'clock, I believe.

1 I've already introduced the ORS folks that are
2 here tonight. And as I said, myself and Ms. Hipp
3 and Mr. Seaman-Huynh will all hang around as long
4 as we need to tonight, to talk to everybody that
5 wants to talk to us. And Mr. Kirby is out there
6 from our Consumer Services Department if you want
7 to talk to them.

8 One thing I do want to make sure you
9 understand is that the Commissioners sit as – this
10 is a quasijudicial body, meaning they sit as judges
11 and are responsible for complying with the Rules of
12 Judicial Conduct. You can't ask a question, just
13 like you couldn't – if you're a witness in a
14 criminal case, you can't ask a question of the
15 judge, you can't ask questions of the Commissioners
16 here tonight. So, we want to hear your statements,
17 we want to hear what you have to say. Myself or
18 the Commissioners may ask you a follow-up question
19 to get a little more information out of you, but it
20 kind of is a one-way street that you can't ask the
21 Commissioners for how they feel about something or
22 how they're going to rule on something. And that's
23 it.

24 Mr. Chairman, I would ask that the sign-in
25 sheets be marked and entered in the record as the

1 next hearing exhibit. Thank y'all.

2 **CHAIRMAN RANDALL:** Okay. The sign-in sheet
3 will be entered into the record as Hearing Exhibit
4 No. 24. Okay.

5 I'm going to ask our attorney, Mr. Randall
6 Dong – he's going to go through some more
7 instructions. Some of them may be similar, but
8 they're all important, so we want to just make sure
9 everybody understands.

10 **MR. DONG:** Good evening. My name is Randall
11 Dong, as the Chairman said, and I advise the
12 Commission. I just have a few things.

13 First of all, I'd like to remind y'all that
14 only people who have signed up to speak will be
15 permitted to speak tonight. And if you've spoken
16 before at one of the previous night hearings –
17 because this is the third night hearing that we've
18 had here in the Midlands; we had one in Irmo
19 before, and we had one in Lexington. If you've
20 spoken previously, we would ask that you not speak
21 again tonight. We're trying to make sure that
22 everybody has an opportunity, but everybody should
23 only have one opportunity to speak.

24 After your name is – Mr. Bockman is going to
25 call the names, and after you are called up, you'll

1 be sworn in. And after you're sworn in, you'll
2 give your testimony. And when you do, please tell
3 us your name and where you live, or the
4 subdivision. You don't have to provide your house
5 number, but we'd like to know, and I'm sure the
6 company would like to know, what area of the
7 territory that you live in.

8 Please be sure to speak into the mic. This is
9 all being transcribed, and if you don't speak into
10 the mic and speak loudly it's going to be difficult
11 for the court reporter to make a verbatim
12 transcript. We would ask that you limit your
13 comments to no more than three minutes. There is a
14 timer, and we'd ask that you observe that.

15 Please silence your cell phones or other
16 electronics. We want to try to keep the record
17 clean and we want to try not to have people get
18 interrupted by phones that are ringing.

19 And not to repeat what Mr. Nelson has said,
20 but I want to emphasize that the Commissioners up
21 here, as much as they like people and they would
22 like to talk to you, they really can't. They can't
23 talk to you about this case, because they sit
24 essentially as judges on the case. And so the Code
25 of Judicial Conduct does not allow them to interact

1 with you about the merits of the case, how they
2 feel about the case, those kinds of things. They
3 may ask you questions. If they ask you questions,
4 please give them whatever – answers to whatever
5 questions they ask. If they don't ask you
6 questions, please don't be offended or don't take
7 it personally. Sometimes they need more
8 information, sometimes you've given them all that
9 they need.

10 So with that, I think that pretty well covers
11 it.

12 **CHAIRMAN RANDALL:** Thank you, Mr. Dong.

13 I want to make sure – we'll use this podium
14 [indicating]. We're set up for the merits hearing,
15 but this podium right in the middle will be where
16 everyone should speak from. And if you'll just
17 make sure you hang in there, once you've done your
18 testimony, so, if there are any questions.

19 And I'm going to turn it over to Mr. Rob
20 Bockman, who will be calling the names of folks
21 that are going to speak. Mr. Bockman, take it
22 away.

23 **MR. BOCKMAN:** Thank you, Mr. Chair.

24 I'll be calling your names in sets of three.
25 When you hear your name, the first name will be

1 approaching the podium, please, and the other two
2 names, there are seats up in this front row, if you
3 want to just have a seat there.

4 After the first person has finished their
5 testimony, they'll remain at the podium momentarily
6 to see if any of the parties or the Commissioners
7 have any questions, at which point they will take
8 their seat.

9 I will call your name, and you will step up to
10 the podium to be sworn in by Mr. Richardson.
11 Again, you do have three minutes. And aside from
12 that, I believe we are ready to commence.

13 We will commence with Linda Fillmore's
14 testimony, followed by John P. Corrigan and Kim
15 Corrigan.

16 [Witness affirmed]

17 THEREUPON came,

18 **L I N D A F I L L M O R E ,**
19 who, having been first duly affirmed, testified as follows:

20 **MR. RICHARDSON:** Please state your name

21 **WITNESS:** Linda Fillmore.

22 **INTERIM VICE CHAIR BELSER:** Turn the mic on
23 for her.

24 **CHAIRMAN RANDALL:** It's on.

25 **WITNESS:** Can you hear me?

1 **CHAIRMAN RANDALL:** Yes, ma'am. Just speak –
2 get close and speak up.

3 **WITNESS:** Okay.

4 **CHAIRMAN RANDALL:** There you go.

5 **WITNESS:** My name is Linda Fillmore, and I
6 live at Spence's Point in Lexington.

7 We have 10 buildings, which house a total of
8 99 condos. Our average square footage is 1200 to
9 1400 square feet per unit. We average one to two
10 persons per unit. This is important, because we
11 have some issues.

12 One issue is Blue Granite bills our council of
13 co-owners for one water meter per building, yet
14 they're allowed to charge a separate base
15 facilities charge per condo, which amounts to 99
16 separate charges. Single-family homes have one
17 meter and one base facilities charge, no matter how
18 many people live in that building. It's unfair to
19 charge us for each condo since it costs them the
20 same to maintain the water infrastructure, whether
21 there is one unit or nine units per building. We
22 ask that the Commissioners address this unfair
23 billing practice, so that we are only charged the
24 fees per meter rather than per condo.

25 The second item is Blue Granite currently

1 bills us a residential commodity charge of \$7.55
2 per thousand gallons. They're proposing to lower
3 this from \$7.55 to \$4.75, which is great, except
4 now, as we understand it, they're going to add an
5 additional new charge called a purchased-water
6 charge of \$6.85 per thousand gallons, which means
7 that we will now be billed \$11.60 per thousand
8 gallons, which is a 56 increase in our rate. We
9 estimate that the average sewage rate for each of
10 our residents will rise from 65 to 101 – or, \$65 to
11 \$101. The majority of our residents are retired
12 and on fixed incomes, so you can imagine the impact
13 this massive increase will have on our residents.
14 We request that this additional new charge, or any
15 increase to any rate, not be approved.

16 The third item is the current pumping charge
17 for the solids interceptor tanks, like the ones at
18 Spence's Point, is being revised from a set \$150
19 charge to an unspecified pass-through charge, where
20 there is no opportunity for any oversight by
21 Spence's Point. If this is allowed, we ask that
22 Blue Granite be required to include a copy of the
23 original invoice when the tank is pumped and to be
24 assured that there is some type of recourse for
25 Spence's Point if we feel the amount charged is

unreasonable.

And my last item is, Blue Granite has been pumping these tanks at all hours of the day and night, especially seemingly mostly at night. This is, of course, very disruptive to our residents. We'd ask Blue Granite to try and be sure, if at all possible, to do this pumping during normal business hours.

Last item, long-term we would like to see the Watergate sewage station closed and have Spence's Point connect with the Lexington Regional Treatment Plant –

[3-minute signal]

– as was mandated 20 years ago.

CHAIRMAN RANDALL: Thank you, ma'am.

Any questions from the parties?

WITNESS: Do you need my testimony – oh, yes.

MR. HALL: If I could –

CHAIRMAN RANDALL: Let's get you a microphone.

MR. HALL: I'm sorry.

CROSS EXAMINATION

BY MR. HALL:

Q Could you clarify how many units there are and how many meters you think there are?

A We have 99 units in 10 buildings, and we have one meter

1 per building. So, 10 buildings.

2 **CHAIRMAN RANDALL:** Okay.

3 Anybody? Commissioners, any questions?

4 Commissioner Belser

5 **EXAMINATION**

6 **BY INTERIM VICE CHAIR BELSER:**

7 **Q** Thank you for being here, Ms. Fillmore. Down here
8 [indicating]. Each condo is billed a base charge; is
9 that correct?

10 **A** We are charged a base charge for each condo in each
11 building. So my analogy of a single family home has one
12 meter and one charge? We have 10 buildings, but we have
13 99 charges, one for each unit.

14 **Q** Who does the bill go to? Does it go to the individual
15 owner?

16 **A** No, it goes to our HOA.

17 **Q** So the HOA pays the bill, and then the –

18 **A** Right. And sewer and water is the number-one top
19 highest budget amount on our whole HOA annual budget.

20 **Q** Okay. And you mentioned the pumping charge for the
21 solids interceptor tank. Do you know how many of those
22 tanks are out there?

23 **A** I do not know that.

24 **Q** That's okay. That's okay. And the pumping of the
25 tanks, those are the solid interceptor tanks, or –

1 A Yes.

2 Q – is there a wastewater facility out there that they're
3 having to pump out, do you know? Is it like a lagoon
4 type situation, or is it –

5 A We have a – the – it's the Watergate facility. It's
6 kind of like right on our property. It has huge tanks.

7 Q Okay. So it's an actual wastewater treatment plant?

8 A It's a wastewater treatment plant.

9 Q And is that what they're pumping out at all hours of the
10 day and night, per your testimony?

11 A Well, I think they're pumping that and – the thing is –
12 it looks to me like it's on our property. I know it's
13 their property, but to drive into our property we pass
14 by Watergate, and then our property is all along the
15 front of Watergate. So Watergate really is – we kind of
16 embrace the Watergate facility.

17 Q Thank you for being here, and thank you for your
18 testimony.

19 A Thank you for listening.

20 CHAIRMAN RANDALL: Thank you, ma'am.

21 [WHEREUPON, the witness was excused.]

22 MR. BOCKMAN: Next we have John Corrigan,
23 followed by Kim Corrigan and Teresa Heilman. John
24 Corrigan, Kim Corrigan, and Teresa Heilman.

25 [Witness affirmed]

1 THEREUPON came,

2 J O H N P . C O R R I G A N ,

3 who, having been first duly affirmed, testified as follows:

4 MR. RICHARDSON: Please state your name for
5 the record.

6 WITNESS: Hi. I'm John Corrigan. I reside at
7 Spence's Point, adjacent to the Watergate facility,
8 as well. And I'm also a member of the newly formed
9 Spence's Point Blue Granite subcommittee of
10 Spence's Point Homeowners' Association.

11 Thank you for this opportunity to have redress
12 on this rate increase proposal. The title of my
13 address this evening is: Stuck in the middle with
14 you.

15 Having served as an executive in a
16 multinational service company, I truly understand
17 the profit motives of profit and for-profit
18 businesses, especially those that rely on third-
19 party subcontractors to provide service delivery.
20 My company does that. I'm also in a unique
21 position to understand the protractedness inherent
22 in government organizations in taking the necessary
23 actions to resolve long-standing issues, through my
24 direct service in a public service agency. Through
25 this experience, I've come to understand the

1 fungible use of grant monies, tax levies, et al.,
2 that were originally intended for one use but
3 somehow are redirected for a higher priority. And
4 this is where we, Spence's Point Homeowners'
5 Association, find ourselves today: stuck in the
6 middle of the profit motives of Blue Granite, a
7 government that has prioritized other issues over
8 the sewer connection commitment it made 20 years
9 ago, and a public utility commission that, by
10 simply granting continual rate increases,
11 perpetuates this 20-year stalemate. What's lost in
12 all of this is we, the consumer – we, the consumer,
13 with little to no investment in the plant,
14 equipment, for better and more efficient service
15 delivery, just higher prices for the same aging
16 plant and equipment, but the higher cost of
17 subcontractors who, they themselves over time, want
18 year-on-year revenue increases, just like Blue
19 Granite or the government agencies, to say nothing
20 of the continual episodes of Saluda River
21 contamination from the aging plant and equipment,
22 which happened two weeks ago.

23 I applaud Blue Granite's lawsuit to change the
24 status quo and compel the Town of Lexington to make
25 the sewer connection that is long overdue and

1 shutter the Watergate treatment plant. Seemingly,
2 no longer to have to maintain an aging, failing
3 plant, and not having to rely on subcontractors
4 should improve their margins. From a government
5 perspective, additional customers and revenue from
6 we, the consumer.

7 And what of we, the consumer? While the
8 closing of the Watergate plant – with the closing
9 of the Watergate plant, we should come to enjoy
10 better, more efficient service delivery, a
11 stabilized or lower rate, with less impact on the
12 environment. A win-win for all of us.

13 So, in closing, we, the consumer, no longer
14 wish to be stuck in the middle – ergo, the
15 formation of our subcommittee. And we're also
16 seeking counsel about how best to go about –

17 [3-minute signal]

18 – facilitating the shuttering of the plant.

19 In closing, please, in your final
20 deliberations, do the common-sense thing and vote
21 not to perpetuate the status quo. Let's shutter
22 the plant and make the connection that's 20 years
23 overdue. Thank you.

24 **CHAIRMAN RANDALL:** Thank you, Mr. Corrigan.

25 Questions from the parties? Mr. Nelson.

CROSS EXAMINATION**BY MR. NELSON:****Q** Yes, sir, Mr. Corrigan. Jeff Nelson, here.**A** Yep?**Q** You mentioned something about something two weeks ago, a contamination?**A** Yes. —**Q** What's —**A** Our next resident is going to address that.**Q** Talk about that? Okay.**A** Yes.**MR. NELSON:** All right. Thank you, sir.**CHAIRMAN RANDALL:** Commissioners.

Commissioner Belser.

INTERIM VICE CHAIR BELSER: Oh, I'm sorry
[indicating].**CHAIRMAN RANDALL:** Oh, sorry. Thought your
light was on.

Commissioner Howard.

EXAMINATION**BY COMMISSIONER HOWARD:****Q** Mr. Corrigan, thank you for coming. Tell us about your subcommittee. Is that just a tongue-in-cheek thing, or do you actually meet with Blue Granite?**A** You want to know about the subcommittee?

1 **Q** Yeah.

2 **A** Yep, so it's a group of Spence's Point residents, who
3 have also reached out to Mallard Shores and Land's End,
4 who are also communities that are served by the
5 wastegate treatment program. And, essentially, it's an
6 action community to see what we can do – and, again,
7 we're seeking legal counsel advice – to shutter the
8 plant and compel the Town of Lexington to make the sewer
9 connection that, again, they committed to do 20 years
10 ago. So, we are committed to resolving this issue and
11 not just – as we say with our federal government – kick
12 the can down the road.

13 **COMMISSIONER HOWARD:** Thank you, very much.

14 **CHAIRMAN RANDALL:** Thank you.

15 Commissioners, any other questions?

16 [No response]

17 Thank you, Mr. Corrigan. Appreciate you being
18 here.

19 **WITNESS:** Thank you.

20 [WHEREUPON, the witness was excused.]

21 **MR. BOCKMAN:** Next, we have Kim Corrigan. Kim
22 Corrigan, followed by Teresa Heilman and John
23 Mallard. Teresa Heilman and John Mallard. Teresa
24 Heilman and John Mallard to the front, please

25 [Witness affirmed]

1 THEREUPON came,

2 K I M C O R R I G A N ,

3 who, having been first duly affirmed, testified as follows:

4 MR. RICHARDSON: Please state your name for
5 the record.

6 WITNESS: My name is Kim Corrigan, and I live
7 at Spence's Point, in Lexington County, or the Town
8 of Lexington. My background is in the healthcare
9 industry for over 25 years.

10 Blue Granite is applying for a 50 percent
11 average rate increase, only two years after a 30
12 percent rate increase, which is unreasonable for
13 their consumers. Add to that their statement to
14 Representative Chris Wooten that they intend to
15 pursue additional rate cases every two years
16 following this one.

17 An example of the service we have received
18 recently: On February 17th of this year, a pump
19 alarm went off at 5:04 a.m. A technician was sent
20 from the company and they shut down Pump No. 2 and
21 left. Pump No. 2 failed due to a piece of metal
22 that caused the check valve to come apart. As a
23 result of that, that allowed sewage that had been
24 pumped out to come back into the pump, causing
25 overflows. Unfortunately, despite multiple calls

1 of sewage running across our property and into Lake
2 Murray, additional technicians did not arrive until
3 11:10 a.m.

4 It was estimated between 400 and 600 gallons
5 of sewage per hour went into Lake Murray from our
6 three areas of overflow. I've included pictures of
7 everything referenced and request that it be
8 included as exhibits in this case.

9 Blue Granite fixed the pump, sprinkled garden
10 lime on the sewage-covered grass, and washed the
11 pool deck with HTH before leaving. No remedy was
12 done for the sewage-soaked wood planters lining the
13 cabana pathways. Signs saying "Keep kids and pets
14 away" were posted for four days.

15 Our residents, their children, and
16 grandchildren swim in the pool, have lunch at the
17 cabana, and play ball on our grassy lawn when the
18 weather gets warmer. Would you want to bring your
19 family over, knowing that this has happened?

20 We request that the Town of Lexington fulfill
21 their agreement made 20 years ago to connect their
22 sewer lines to our sewer lines, and close the
23 Watergate treatment plant. Thank you for your time
24 and attention.

25 And I have pictures of the events, and all the

three areas that overflowed.

CHAIRMAN RANDALL: Okay, Ms. Corrigan.

We'll -- let's take questions, first, and then we'll get that in.

WITNESS: Okay.

CROSS EXAMINATION

BY MR. WELLBORN:

Q Ms. Corrigan, did you personally take these photos?

A Yes.

MR. WELLBORN: Mr. Chairman, prior to them being admitted as a hearing exhibit, I would like for us to reserve the opportunity to review the materials.

CHAIRMAN RANDALL: We'll take them -- we'll mark them and then we'll rule on whether they're admissible at a later time, so they can be marked.

Okay. Any questions of Ms. Corrigan?

MR. NELSON: Yes, I -- Sam if you --

MR. WELLBORN: I'm sorry, just one other quick thing.

BY MR. WELLBORN:

Q What's the current status of your property? Has it been -- have the issues been addressed, those kind of things?

A The issues were addressed by Blue Granite, in terms of

1 pressure-washing the pool deck and putting lime on the
2 sewer-covered areas – sewage-covered areas of the grass.

3 **Q** So, in your view, there's no further action necessary
4 for the company?

5 **A** Actually, all the wooden planters that line the whole
6 pool-deck area sat in that sewage water for the entire
7 amount of hours that this was overflowing, so all that
8 wood, at the bottom – you know, spraying some HTH and
9 power-washing the deck isn't going to stop – or, clean
10 up that wood that has soaked up all that sewage water in
11 that amount of time.

12 **Q** I only ask because, if there's anything outstanding like
13 that, I would encourage you to take it to the company
14 and see what they can do to help. Thank you.

15 **A** Okay.

16 **CROSS EXAMINATION**

17 **BY MR. NELSON:**

18 **Q** Ms. Corrigan, with the subcommittee and with your
19 talking about this, what other issues – or, do you have,
20 does the homeowners' association have any other issues
21 with the Watergate plant? Have you had any other
22 problems in the past, or what?

23 **A** I can't speak to that directly, because I've only lived
24 there for six months myself. I can only speak to what's
25 happened most recently.

1 MR. NELSON: Thank you, ma'am.

2 CROSS EXAMINATION

3 BY MR. HALL:

4 Q Do you know if the swimming pool was directly impacted
5 by the overflow?

6 A It does not appear that the swimming pool was affected,
7 from the pictures that were taken. It looked like it
8 ran to the side of the swimming pool and formed a pond
9 of its own in the grass just beyond the pool, but it did
10 all dump into Lake Murray from three – the three sites.

11 MR. HALL: Thank you.

12 CHAIRMAN RANDALL: Okay. Commissioners,
13 questions? Commissioner Ervin?

14 COMMISSIONER ERVIN: Mr. Chairman, thank you.

15 EXAMINATION

16 BY COMMISSIONER ERVIN:

17 Q Did anyone report the sewage release into Lake Murray to
18 the Department of Health and Environmental Control?

19 A Yes. I actually made that phone call myself, and I did
20 send them the videos and the pictures.

21 Q Did they take any action, to your knowledge?

22 A They returned several communications to me, asking if
23 all the videos had been supplied. And I'm not sure if
24 they took any action, or not, but it was reported, yes.

25 Q The date of this occurrence was, what, if you recall?

1 **A** The date of the occurrence was February 17th.

2 **Q** Of?

3 **A** 2020.

4 **Q** This year.

5 **A** Yes.

6 **COMMISSIONER ERVIN:** We appreciate you calling
7 it to our attention. Thank you for coming. You
8 need to mark those photographs with our court
9 reporter before you –

10 **CHAIRMAN RANDALL:** We're going to do that
11 right here. Give them to Mr. Richardson, and we'll
12 mark those and they'll be entered as Exhibit No.
13 25 – not entered, but they'll be marked as Exhibit
14 No. 25 and then we'll rule on it.

15 [WHEREUPON, Hearing Exhibit No. 25 was
16 marked for identification, with receipt
17 into evidence to be later ruled upon]

18 [WHEREUPON, the witness was excused.]

19 **MR. BOCKMAN:** Teresa Heilman? Teresa Heilman,
20 followed by John Mallard.

21 [Witness affirmed]

22 THEREUPON came,

23 **T E R E S A H E I L M A N ,**

24 who, having been first duly affirmed, testified as follows:

25 **MR. RICHARDSON:** Please state your name for
26 the record.

1 **WITNESS:** I am Teresa Heilman. I live in New
2 Friarsgate in Irmo, South Carolina. My husband and
3 I have resided there for 27 years.

4 When we first moved there, from Old Friarsgate
5 and then for a couple of years we lived off of
6 Nursery Road, we had the City of Columbia for our
7 water and sewer; we had no idea that individual
8 companies, such as Blue Granite, existed. And then
9 we got our first bill for \$25, for sewer, and found
10 out about that. Just had to pay it.

11 Well, I want to mention – and I'm sure this is
12 just common sense – I can reduce my electric bills.
13 I can add insulation, I can get energy-efficient
14 appliances, I can hang my clothes up to dry. I do
15 all of these things to reduce my bills. My last
16 electric bill was \$127 for the month. Water bills?
17 Control that. For us, we're with the City of
18 Columbia. Don't run the sprinkler, get, you know,
19 efficient – water-efficient toilets and shower
20 heads and appliances. We've done all of that. We
21 have pretty good water bills. Insurance: I can
22 find cheaper policies. I have control over these
23 things. I have absolutely no control over what
24 Blue Granite charges me, and I don't know anybody
25 in this room that would want to be without their

1 sewer, okay? If my water got cut off, I could go
2 buy water, but I don't think that I can have an
3 outhouse in my neighborhood. So I have no control
4 over this, whatsoever.

5 We've seen the rates go up in the last seven,
6 eight years, about 20 percent each time. My
7 neighbors that I've talked to feel helpless and
8 hopeless. They don't really see a point to coming,
9 but I still come, because I'm an American and I
10 believe that I do have rights. I hope that I won't
11 be disappointed in having that belief in the
12 American dream.

13 You know, my husband and I are retiring. I
14 don't consider myself retired, because I'm a
15 registered nurse. I don't work for pay; I work for
16 free, and I help people, and that's a higher gain,
17 to me. So the sale of our home is going to be
18 really important, and I see this next increase to
19 over \$101 affecting the price of our property.

20 [3-minute signal]

21 And we won't have a choice. In the next five
22 years, we won't be able to go back to work and earn
23 more money, as it used to be for us.

24 That's about all I have to say.

25 **CHAIRMAN RANDALL:** Thank you, ma'am. Thank

1 you.

2 Any questions? Questions?

3 [No response]

4 Commissioners? Commissioner Ervin.

5 **EXAMINATION**

6 **BY COMMISSIONER ERVIN:**

7 **Q** Thank you for coming tonight. We appreciate your
8 willingness to testify. Have you had any discussions
9 with other neighbors, residents in your area, about your
10 concern about home valuation?

11 **A** Yes.

12 **Q** And is that a common theme that people are concerned
13 about, how it might affect their property values?

14 **A** Yes, they're starting to realize this is going to affect
15 your property values. This is going to affect the
16 property of your house. My husband and I are hoping to
17 build a patio home in preparation for as we get older
18 and have it be able to be handicap accessible.

19 When I look at property, I ask what utilities will
20 service this property before I even consider buying it
21 now. My eyes have been opened, not only by the sewer
22 company but by the electric companies, as well. And I
23 just wonder, do other states have this problem, as well,
24 where people are afraid to buy property in a place
25 because of a utility company? What laws are we being

1 governed by that these problems are allowed to happen?

2 **Q** We appreciate you coming tonight. Thank you.

3 **A** [Nodding head.]

4 **CHAIRMAN RANDALL:** Any other questions,
5 Commissioners?

6 [No response]

7 Thank you, ma'am.

8 [WHEREUPON, the witness was excused.]

9 **MR. BOCKMAN:** John Mallard? John Mallard,
10 please take the podium.

11 [Witness affirmed]

12 THEREUPON came,

13 **J O H N D . M A L L A R D ,**

14 who, having been first duly affirmed, testified as follows:

15 **MR. RICHARDSON:** Please state your name, for
16 the record.

17 **WITNESS:** John Mallard. I live in the Laurel
18 Meadows subdivision in West Columbia. And thank
19 you – well, I'm John Mallard. I live in the Laurel
20 Meadows subdivision in West Columbia. And thank
21 you to the Public Service Commission for giving me
22 the privilege of being allowed to speak tonight.

23 As I describe my interactions with Blue
24 Granite – used to be Carolina Water – last spring
25 or summer, you'll understand why my opinions are as

1 they are, so it's – but I'll get around to all the
2 points.

3 My request is for the Public Service
4 Commission – first of all, I do not want a water
5 increase, but we've had water increases up and
6 down. It's very erratic in my neighborhood,
7 especially last summer. But I'll explain some of
8 the things.

9 First, my request is for the Public Service
10 Commission to remove Blue Granite from being the
11 company that provides water where I live. I'd
12 prefer to be on the Town of Lexington or West
13 Columbia, if that was proper.

14 I'm going to slip around here. My wife and I
15 are very fortunate – my wife is here tonight – we
16 are on the Town of Lexington's sewage. I thank God
17 for that. I believe Blue Granite, if I'm not
18 mistaken, was polluting the Saluda River with
19 sewage. They lost the privilege, and I'm so glad
20 they do not have our sewage now. I would like Blue
21 Granite not to have our water, but I'm going to go
22 a little further.

23 Last summer, we were having very erratic water
24 rates. They'd go up, go down, go whatever. I
25 wondered if there was incompetency in the meter

1 reading. As it progressed, they put a new meter
2 reader there; he told me that they let go of the
3 person that was doing that. I did call the proper
4 State agency to complain and give them my water
5 bills, so I had been through that. So the meter
6 was erratic. This may not be scientific, but our
7 water was – we don't have sewage with them – was
8 \$64 last month. We got an \$88 bill just the other
9 day. I know there's science behind it; you can
10 look and see what's going on. They got – we had at
11 least three different meters. We've got an old
12 one – I think sometimes, I wonder if people would
13 charge less if they had an older meter. We have
14 another one, and another replaced.

15 Now, another reason why I come to the opinion
16 that I do not want Blue Granite for my water
17 company, I very respectfully called their 800 or
18 888 number, had very civil conversations. You
19 don't call Blue Granite locally. You get a
20 national member. The people were very nice; I was
21 very nice. I did this at least four times,
22 possibly five times. No time – not at any time has
23 anybody from Blue Granite ever called me. I would
24 call the national number, they'd say, "Well, we
25 can't talk to you. We'll get the local manager to

1 call you.” They never called me. They’re either
2 arrogant or incompetent, and probably both. That
3 is where I come to my understanding about Blue
4 Granite.

5 And so, again, I do not think they serve the
6 public well. I think they’re interested in the
7 stockholders and profits, and not in the common
8 good. Lexington County, if I have a concern with
9 the sewage, I can call somebody on the phone, I can
10 walk in the office and talk to somebody. If you
11 respectful public commissioners, if you call Blue
12 Granite, I’ll bet you get a phone call back from
13 them. They never called me.

14 [3-minute signal]

15 Okay. So I believe we’re not being served,
16 and it’s up to the Public Service Commission to
17 decide if we’re being served. And I think this
18 public is being served very poorly with high,
19 expensive water. Please remove them. I’d like to
20 be on a water system that’s more or less for the
21 people – of the people, by the people, and for the
22 people, and not for a for-profit company. And
23 thank you, very much.

24 **CHAIRMAN RANDALL:** Thank you, Mr. Mallard.

25 Questions. Questions, Mr. Nelson.

CROSS EXAMINATION**BY MR. NELSON:**

Q Mr. Mallard, how are you? You said you called four times or so?

A Yes, sir, at least four. I would swear on that.

Q What –

CHAIRMAN RANDALL: Be sure you get in front of that microphone.

WITNESS: I called it – I called it – I mean, I quit calling. I called in the summer, and nobody ever called me back, and that's sort of what helps me develop my opinions and why I came to talk with the Public Service Commission. I couldn't talk to Blue Granite.

BY MR. NELSON:

Q What, specifically, sir, were you calling about? The meter readings, or something else?

A I was calling about the meter readings, and then nobody called me, because we had very – now, I was honest with everybody. Back in the spring, I had a leak at the wall where my faucet was, and I figured that I had that repaired by a competent plumber, so that was taken care of, but the meter readings continued to be erratic. Other neighbors had the same problems. And then they said, well – and I wondered if it was an incompetent

meter reader. It possibly was, at that point, because another guy they put over there just to kind of cover from what was going on, because I think they knew they were having problems, told me that's what had happened. And then I called to talk to them about it and nobody would ever talk to me. Nobody. I went through their system; I called the national number. And they said, "We'll get somebody to call you." They never did. And that's one reason I'm here, because I couldn't talk to them. And, obviously, I've made my complaint to the proper State agency, and they said you can't – and I understand and respect they can't call the Public Service Commission. And I gave that guy the meter readings, and he looked at it, so I'm on record as far as the information he got there, and they never called me back.

So with that in mind and the fact that – and I'm so thankful I don't have their sewage anymore, because I don't like our rivers being polluted. Just from what I've seen with interaction with them, I don't want them to have our water either, where I live. I wish that could be true for a lot of people, and I wish these – a lot of these people here tonight didn't have to have Blue Granite for their sewage. I'm thankful Lexington County has ours. I don't know if I answered your

1 question or not.

2 **Q** You did, Mr. Mallard, thank you. Do you know if you
3 called our office, or was it some other office of the
4 State?

5 **A** That's on me. I probably have those notes somewhere.
6 It was the – I think I called to speak to the Public
7 Service Commission and they said, "Well, you don't
8 actually talk to them." Maybe you understand better
9 than I do. It was a really nice gentleman who got my
10 information on my bills and looked into it, and then he
11 called me back and I spoke with him again. And he said,
12 "You know, you can talk to the Public Service
13 Commission," and I said, "Well, I'll do that." And
14 that's why I'm here.

15 **Q** And as Mr. Wellborn has pointed out, I know some of the
16 folks from the company are here today, too, so I think
17 you probably could take the opportunity tonight to try
18 to talk to them, and if that doesn't work, we – come and
19 talk to us.

20 **A** I understand. I appreciate that. But why should it be
21 six months or more later before anybody's interested in
22 listening to me? I think they'll listen to somebody
23 like the Public Service Commission, but they never
24 called me.

25 **Q** Yes, sir.

1 A There's something missing there.

2 Q Thank you very much for testifying.

3 A Thank you.

4 CHAIRMAN RANDALL: Thank you.

5 Commissioners.

6 COMMISSIONER ERVIN: Mr. Chairman.

7 EXAMINATION

8 BY COMMISSIONER ERVIN:

9 Q Sir, can I ask you a question, please?

10 A [Indicating.]

11 Q Up here.

12 A Yes, sir.

13 Q Thank you.

14 A Yes, sir.

15 Q Did you ever get any kind of bill adjustment as a result
16 of the erratic meter readings?

17 A I – yes, sir, I did get a bill adjustment, but no
18 explanation about it. And nobody called to –

19 Q So your complaint –

20 A – tell me that.

21 Q – primarily is the failure to respond to your
22 complaints?

23 A Failed to respond, but also the erratic bills that went
24 up and down. The neighbors had it. And then apparently
25 they had a meter reader that wasn't doing a very good

1 job. And then I tied that in with the fact that – I
2 don't have their sewage, anymore, and I'm thankful for
3 that, because they were very incompetent with sewage in
4 the Saluda River. And just based on my interactions
5 with having the meter reader and nobody calling me, I'm
6 led to the conclusion, if I could not have them running
7 the water and my taxes could pay for it through the West
8 Columbia or Lexington, I would love that.

9 **Q** Thank you, sir.

10 **A** And not be from for-profit corporations worried about
11 the money they're making.

12 **COMMISSIONER ERVIN:** Thank you.

13 **CHAIRMAN RANDALL:** Any other questions,
14 Commissioners? Commissioner Whitfield.

15 **COMMISSIONER WHITFIELD:** Mr. Chairman.

16 **EXAMINATION**

17 **BY COMMISSIONER WHITFIELD:**

18 **Q** Mr. Mallard, just a follow-up on Commissioner Ervin's
19 question. When you said you got this reduction, I'm
20 very clear that nobody from the company called you back,
21 but it's highly possible that you talked to the Office
22 of Regulatory Staff, Mr. Nelson's agency, because the
23 Commissioners can't talk to the company, either.

24 **A** Yes, sir.

25 **Q** So, did the person that called you back from ORS, did

1 they get this reduction for you, or –

2 **A** No –

3 **Q** – who got the reduction or the correction?

4 **A** That's a good question, sir. I'm not really sure where
5 that came in – if I can't talk to Blue Granite about it.
6 It seems like the gentleman just kind of took the
7 information, was sympathetic to what I was saying, and
8 called me back. We kind of both agreed there was
9 something going on as far as why these bills were
10 erratic like this.

11 **Q** Yes, sir.

12 **A** I don't know if that answers your question.

13 **Q** Well, I – we can't talk – but you certainly have the
14 opportunity to talk with the company tonight after the
15 hearing, and Mr. Nelson's agency has offered to –
16 they're the ones that handle consumer complaints. I
17 would strongly suggest you take advantage of this
18 opportunity after the hearing tonight to get the rest of
19 your concerns addressed.

20 **A** Yes, sir, I hope they would find out what goes on when
21 people call their national company and they're very nice
22 people, then nobody calls you locally. I mean, we've
23 all got to ask why. I've been a customer there for
24 years with them.

25 **Q** Well, thank you for your testimony.

1 **A** Yes, sir.

2 **CHAIRMAN RANDALL:** Thank you.

3 Any other questions, Commissioners?

4 [No response]

5 Okay, Mr. Mallard, thank you very much for
6 being here.

7 **WITNESS:** Yes, sir. Thank you.

8 [WHEREUPON, the witness was excused.]

9 **MR. BOCKMAN:** With the conclusion of Mr.
10 Mallard's testimony, that is the final testifier
11 that we have on our list this evening.

12 **CHAIRMAN RANDALL:** Thank you.

13 We're very appreciative of everybody that's
14 come out to speak. You're certainly invited to
15 come back at 10 o'clock in the morning for the
16 continuation of the merits hearing. With that, we
17 are adjourned.

18 [WHEREUPON, at 6:45 p.m., the hearing in
19 the above-entitled matter was adjourned.]

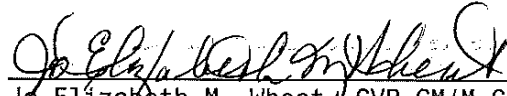
20 _____
21 [WHEREUPON, Hearing Exhibit No. 24 was
22 marked and received in evidence.]
23 _____
24
25

C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, Notary Public in and for the State of South Carolina, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had and testimony adduced in a public evening hearing held in the above-captioned matter before the PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA;

That the witnesses appearing during said hearing were sworn or affirmed to state the truth, the whole truth, and nothing but the truth;

IN WITNESS WHEREOF, I have hereunto set my hand and seal, on this the 26th day of December, 2020.


Jo Elizabeth M. Wheat, CVR-CM/M-GNSC
Hearings Reporter, PSC/SC
My Commission Expires: January 27, 2021.